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CANADA'S WAR RECORD

July, 1942



NEARING the third anniversary of its entry into war, Canada is turning its energies to total war in a way which far surpasses anything, in peace or war, undertaken by a nation of 11,500,000 people.

Although dollars and cents are an inadequate standard to gauge the war effort of a nation they reveal the growing power of Canada in arms and men. This year, it is expected, Canadians will spend over \$3,300,000,000 on war—on the Army, Navy, Air Force and on shipments of munitions, food and materials to Britain. The total of these expenditures is roughly twice the total cost of the First Great War from 1914 to 1920, including the cost of demobilization. It is also a large

increase over the the first two years and seven months of the present war, during which time \$2,221,889,000 was spent.

With the money needed for non-war purposes Canada will spend not less than \$3,900,000,000 this year, which is equal to nearly eight years of peacetime spending. It is expected that with greatly increased taxation and compulsory savings, there will be a deficiency of \$1,755,000,000. It will be necessary to raise the largest part of this amount by war loans and war savings certificates.

To obtain the highest revenue in Canada's history, taxation has been increased sharply on incomes and many forms of goods and services. Entirely new taxes have been imposed.

Income taxes and national defence taxes, which are now raised separately, will be combined with the compulsory savings deduction and taken from salaries and wages, or will be collected by means of compulsory instalments.

Heavier taxation will lower the living standards of Canadians. For example, a single person without dependents with an income of \$3,000 will pay \$1,064 in income tax. More than half the income of a person, in the same class earning \$10,000 is taken by these taxes. A married man with two children and an income of \$3,000 will pay \$668 a year in income tax; with an income of \$10,000 in this group, \$4,546. In all cases a proportion of the tax will be returned as savings after the war.

The rate on excess profits will be raised from 75% to 100% with 20% of the amount raised at this rate returned after the war for the rehabilitation of business and industry in the post-war period.

Luxury goods are being further taxed. Taxes on cigarettes, tobacco, alcoholic beverages, soft drinks will be increased. Additional taxes are being placed on

transportation, long distance telephone, telegrams and cables, and furs. New imposts will be made on a wide variety of luxury goods and entertainment.

Speaking of the sacrifices necessitated by the new taxes, the Finance Minister stated:

"Will this mean a reduction in our standard of living? Certainly. The war will not be won disputing as to whether labor or agriculture or employer or employee should get a larger share of a swollen national income. It will be won, not alone by the valour of fighting forces and the skill of generals but by the willingness of the people at home to make necessary sacrifices —willingness to make those sacrifices first and not after all other groups have made them."

Men



As manpower shortages become more acute because of the need of men for the armed services and munitions factories, the National Selective Service plan has been extended to direct workers into jobs where their skill will be most useful to the war effort.

Employers must now notify the employment office of the Unemployment Insurance Commission when a vacancy occurs, as well as when additions to or lay-offs from staff are in sight. To fill vacancies he must employ a person sent him or approved by the employment office. Women are now within the employment control of Selective Service and are included in this regulation.

All males between the ages of 17 and 69 not gainfully employed must register and report every two weeks thereafter until employed.

The number of unemployed persons has been reduced to the lowest level in Canadian history. It is estimated that nearly 5,000,000 persons are in the armed services, on farms, or in civilian industries and services. Of a population of 11,500,000, a relatively small number of persons is left upon which the Dominion can draw to fulfill its war program.

Munitions

THE factories of Canada are important to the worldwide war program of the United Nations. Canadian munitions have been used in every battle of the war since Dunkirk—in the Philippines, in Greece, Crete, Russia, China and the Middle East. They are being used in the defence of Canada. Last year the value of Canadian-made munitions was greater than the total produced in the whole of the last war.

The existing war production program is expected to reach its peak early in 1943 when 910,000 persons will be employed directly and indirectly on war production.

The aircraft industry alone now employs about 50,000 persons where in pre-war days it employed about 1,000. The shipbuilding industry, which is working on a \$550,000,000 program, employs directly and indirectly about 60,000; chemicals and explosives, over 45,000; tanks and mechanical transport, about 67,000 directly and indirectly.

The majority of munitions plants are now fully tooled and staffed and are approaching peak production. Rifles, machine guns, sub-machine guns, naval guns, 25-pounders, anti-aircraft and anti-tank guns are being made in increasing numbers. In six months more explosives are being produced than in the whole of the last war. The output of ammunition now exceeds all previous

records. Factories in the country are making hundreds of thousands of shells of 18 different types each month.

In Canada's munitions program almost every variety of modern weapon and military equipment is being made.

Navy



THE Royal Canadian Navy was founded only 32 years ago, but it draws its inspiration from the centuries-old tradition of the Royal Navy.

Among the navies of the world Canada's sea force is not large. But its rate of expansion has no parallel. Since the outbreak of war its manpower has been multiplied 20 times to more than 36,000, and its ships, 30 times to more than 400. Thousands of recruits are waiting to enlist. By next April the Navy will have a strength of 44,000 men and 500 ships. More than 1,100 Canadians are serving in ships of the Royal Navy.

The expansion of the Canadian Navy is limited by the number of ships available for duty. Destroyers, corvettes, minesweepers and many types of smaller vessels are being rushed to completion for the Navy in Canadian shipyards.

The task of the Navy is threefold: to guard the Canadian coasts, to seek out and attack the enemy, and to escort convoys of cargo ships and troop transports.

The most notable service of the Canadian Navy has been in convoying munitions-laden merchant ships. Its duties have been further increased by the westward extension of U-boat operations into Canada's home waters.

U-boat attacks have, in fact, been carried into Canada's inland waterways. Two merchant vessels have been sunk by torpedoes in the St. Lawrence River. Enemy vessels have shelled Vancouver Island on Canada's West Coast.

In the current year the estimated cost of the Navy's operations is \$260,000,000, equal to the total spent in the previous two and a half years of war.

Army



THE Dominion is developing an army overseas, which for its size, will be the most heavily armoured and hardest hitting force in the world.

Army expenditures this year will total \$1,000,000,000. Canada is determined to spare no expense in ensuring that Canadian soldiers are second to none in training and unexcelled in the quality of their arms and equipment.

At home, since the outbreak of war with Japan, Canada has been increasingly concerned with the defence of her territory. The tempo of defence preparations has been accelerated. The East and West Coast areas have been placed under two commands. The air, sea and land services in these areas have been placed under the single command of the senior officer in the territory.

To give mobile reserve support for existing and projected defences on the Atlantic and Pacific coasts, the 7th and 8th divisions are being mobilized. The Reserve Army of more than 130,000 is being revitalized to strengthen home defences.

The Active Army now numbers more than 320,000, a large percentage of whom are overseas. The army in

Britain is being reinforced by a steady stream of new contingents to bring it up to projected strength of three infantry divisions and two armoured divisions, in addition to two army tank brigades and thousands of ancillary troops and reinforcements.

The army overseas is being trained in commando-type tactics in preparation for more lightning assaults on enemy-held territory, and for the day when it will be in the spearhead of invasion forces.

Air Force



WITHOUT the graduates of Canada's British Commonwealth Air Training Plan the devastating 1,000 plane raids on industrial Germany would have been impossible, according to Capt. Harold Balfour, British Undersecretary of Air.

This Plan, the most important task of the Royal Canadian Air Force, has been greatly expanded and extended. A new agreement which went into effect July 1 extends its operation to March 31, 1945. It is expected to cost \$1,500,000,000 during this period, \$750,000,000 of which will be paid by Canada.

R.C.A.F. headquarters in Britain will henceforth exercise much greater control over its own personnel which may be in the R.A.F. An R.C.A.F. bomber group is being organized. Where possible Canadian fighter stations will be set up to be commanded and manned by Canadians.

There are at present 22 R.C.A.F. squadrons overseas. The majority are in Britain but there is one squadron in the Far East and another in the Near East. Thousands of Canadian airmen are also distributed among hundreds of R.A.F. units in every theatre of war.

The R.C.A.F. has a personnel exceeding 115,000, exclusive of airmen of other nations attached to the Air Training Plan.

An increasing number of Canadian graduates of the Air Training Plan will be retained in Canada for home defence. The estimated expenditure for home war establishment this year is more than twice last year's figure.

Food

ONE of the vital divisions of Canada's war effort is the production and shipment of agricultural products. In the national selective service plan for mobilizing man-power the necessity for maintaining full production is recognized by the stabilization of farm labour.

Prairie farmers grow vast quantities of grain to meet British and Canadian needs. Not less than 600,000,000 pounds of bacon and pork products will be shipped to Britain this year. More is now being delivered in a single week than in the whole of 1931. Cheese totalling 115,000,000 pounds and nearly 32,000,000 one-lb. cans of evaporated milk were shipped to Britain in the past year. Export of eggs this year will be 50 times the pre-war volume.

★★ This leaflet is a condensation of the booklet "Canada at War" which may be obtained by writing the Director of Public Information, Ottawa, Canada.

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